

REMARKS

In the Office Action dated April 11, 2002, the Examiner rejected claims 2-39 under 35 U.S.C. §§ 103 and/or 112. In the ensuing sections of this response, applicant will respond to those rejections and highlight the differences between the pending claims and the cited references such that it becomes apparent to the Examiner that these rejections should be reconsidered and withdrawn. With respect to the §112 rejection, and for the convenience of the Examiner, applicant has cancelled claims 2-39 and added claims 40-59 (which are claims 2-21 from Applicant's Amendment filed on February 20, 2002). Applicant thanks the Examiner for calling these issues to his attention.

Applicant firmly believes the above amendments and the following comments will convince the Examiner that the rejection of the pending claims under §103 should be reconsidered and withdrawn. In particular, applicant would like to direct the Examiner's attention to applicant's novel system and method for a consolidated store compensation system having, *inter alia*, automated accuracy recalculating. Applicant is unaware of anything like this in the prior art, and even the references relied on by the Examiner do not suggest the applicant's novel invention. In short, applicant respectfully submits that the Examiner's reliance on "StockBoy Retail Management System" (StockBoy) and Swart U.S. Patent No. 6,347,306 (Swart) is

1 misplaced -- as applicant's invention is very different from what
2 is disclosed in the cited art.

3 Initially, the Examiner rejected the pending claims under 35
4 U.S.C. §103(a) as being unpatentable over StockBoy in view of
5 Swart. Applicant respectfully submits that new claims 40-59 are
6 not rendered obvious by the cited references, either alone or in
7 combination. Applicant further submits that, with the benefit of
8 the teachings of applicant's specification, the Examiner's
9 rejection could only be the result of hindsight reconstruction of
10 the applicants' invention. Moreover, even if the cited
11 references were properly combined, such combination still would
12 not teach all of the novel and non-obvious features of the
13 present invention as claimed. Upon closer review of the cited
14 references it will be apparent to the Examiner that this
15 rejection should be reconsidered and withdrawn.

16 Initially, applicant submits that StockBoy is an improper
17 reference as against the present invention. As indicated on the
18 cited reference, the disclosure is dated June 21, 2001, with the
19 copyright date of 2000. There is no indication that the
20 disclosure of the StockBoy reference occurred prior to the filing
21 date of the present application (i.e., June 9, 1999). Thus,
22 applicant respectfully requests that any rejection based on the
23 StockBoy reference must be withdrawn.

24 Irrespective of the foregoing, applicant disagrees with the

1 Examiner's opinion as to the teachings of both StockBoy and
2 Swart. Briefly, the retail management system taught by StockBoy
3 is nothing more than a general overview of the function of a
4 series of computer programs, including retail payroll.
5 Importantly, StockBoy merely discloses that such a system allows
6 for "all types of earnings, deductions and special withholding
7 plans." Clearly, as is readily apparent from a careful review of
8 StockBoy, nowhere is a store compensation system that includes
9 the steps of recording sales transaction data for employees or
10 uploading sales transaction data to a central database or both
11 calculating and recalculating an employees compensation at
12 predetermined time intervals to ensure accurate compensation
13 taught or even suggested by the StockBoy reference.

14 Next, applicant submits that the Swart reference only
15 discloses a "computerized method and system for direct payroll
16 processing, without the use of a third-party payroll service."
17 In particular, the system according to Swart teaches the
18 automatic payment of employees' net pay immediately upon
19 completion of a work segment. Such system provides time and
20 attendance, human resource, payroll processing and banking
21 computer systems interconnected via a computer network, and
22 calculates the net pay for each work segment completed the
23 employee. This is very different from the present invention.
24 That is, as is readily apparent from a careful review of Swart,

1 nowhere does Swart teach or suggest such steps as the recording
2 of sales transaction data for the employee or uploading sales
3 transaction data to a central database or recalculating an
4 employees compensation at predetermined time intervals to ensure
5 accurate compensation. Thus, the StockBoy and Swart systems
6 cannot perform all of the functions of the claimed invention.

7 Furthermore, applicant disagrees that there is any
8 motivation or suggestion to combine the system taught by StockBoy
9 and the system of Swart, as suggested by the Examiner. Referring
10 first to StockBoy, applicant agrees with the Examiner that
11 StockBoy discloses "computer data system including sales and
12 payroll." However, contrary to the Examiner's suggestion, there
13 would be no motivation for anyone to modify the computer data
14 system of StockBoy to include such steps as the recording of
15 sales transaction data for the employee or uploading sales
16 transaction data to a central database or recalculating an
17 employees compensation at predetermined time intervals to ensure
18 accurate compensation. Moreover, even if StockBoy and Swart were
19 properly combined, as discussed above, such combination still
20 fails to teach applicant's claimed invention. In fact, nothing
21 in either StockBoy or Swart, either alone or in combination,
22 teach or suggest all of the elements of applicant's claimed
23 invention. Therefore, applicant submits that the rejection of
24 the pending claims as being unpatentable over StockBoy in view of

1 Swart is improper and should be reconsidered and withdrawn.

2 Further, the applicant respectfully points out that,
3 standing on their own, the cited references provide no
4 justification for the combination asserted by the Examiner.

5 "Obviousness cannot be established by combining the teachings of
6 the prior art to produce the claimed invention, absent some
7 teaching or suggestion supporting the combination. Under section
8 103, teachings of references can be combined only if there is
9 some suggestion or incentive to do so." *ACS Hospital Systems*
10 *Inc. v. Montefiore Hospital*, 732 F.2d 1572, 1577, 221 U.S.P.Q.
11 929, 933 (Fed. Cir. 1984) (emphasis in original).

12 The cited references provide no such suggestion or incentive
13 for the combination suggested by the Examiner. Therefore, the
14 obviousness rejection could only be the result of a hindsight
15 view with the benefit of the applicant's specification. However,

16 "To draw on hindsight knowledge of the patented
17 invention, when the prior art does not contain or
18 suggest that knowledge, is to use the invention as a
19 template for its own reconstruction -- an illogical and
20 inappropriate process by which to determine
21 patentability. The invention must be viewed not after
22 the blueprint has been drawn by the inventor, but as it
23 would have been perceived in the state of the art that
24 existed at the time the invention was made." (citations
25 omitted) *Sesonics v. Aerosonic Corp.*, 38 U.S.P.Q. 2d.
26 1551, 1554 (1996).

27 In addition, the combination or expansion advanced by the
28 Examiner is not legally proper -- on reconsideration the Examiner
29 will undoubtedly recognize that such a position is merely an

1 "obvious to try" argument. The disclosure in StockBoy and in the
2 specification and claims of Swart do not reveal any functional or
3 design choices that could possibly include that of the
4 applicant's claimed invention. For example, the recalculation
5 function employed by the claimed invention allows for easy
6 adjustment and/or correction to the employee compensation
7 calculation -- an important mechanism to ensure that the
8 calculation has been performed correctly and allows for any
9 adjustment to be made that the recalculation process deems
10 necessary. In addition, the claimed system compares each
11 employees' historical pay sheets in order to determine the
12 consistency of an employee's compensation. Rather, the StockBoy
13 and Swart systems have no utility for a recalculation method as
14 in the claimed invention because they are designed to immediately
15 generate payment upon completion of a work period (i.e., mid-week
16 recalculation and/or changes are not necessary). Accordingly, it
17 would not have been obvious to combine StockBoy with Swart to
18 arrive at the present invention. At best it might be obvious to
19 try such a combination. Of course, "obvious to try" is not the
20 standard for obviousness under 35 U.S.C. §103. *Hybritech, Inc.*
21 *v. Monoclonal Antibodies, Inc.*, 231 U.S.P.Q. 81, 91 (Fed. Cir.
22 1986).

23 Under the circumstances, we respectfully submit that the
24 Examiner has succumbed to the "strong temptation to rely on

1 hindsight." *Orthopedic Equipment Co. v. United States*, 702 F.2d

2 1005, 1012, 217 U.S.P.Q. 193, 199 (Fed. Cir. 1983):

3 "It is wrong to use the patent in suit as a guide
4 through the maze of prior art references, combining the
5 right references in the right way so as to achieve the
6 result of the claim in suit. Monday morning quarter
7 backing is quite improper when resolving the question
8 of non-obviousness in a court of law." *Id.*

9 Applicant submits that the only "motivation" for the
10 Examiner's expansion or combination of the references is provided
11 by the teachings of applicant's own disclosure. No such
12 motivation is provided by the references themselves.

13 Therefore, as is evidenced by the above amendments and
14 remarks, the present invention, for the first time, discloses a
15 method and system for providing a consolidated store compensation
16 system, including an accuracy checking recalculation step. A
17 system and method such as this is neither taught nor suggested
18 anywhere in the prior art, including StockBoy and Swart.

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